

# **INDEX RULE BOOK**

## **Euronext® Biodiversity Screened Transatlantic 80**

Version 22-02

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## 1. GENERAL

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This document is applicable to the Euronext® ESG Biodiversity Screened Transatlantic ("Index Family"), which consists of all the Indices as mentioned in the Reference Table.

The Euronext ESG Biodiversity Screened Transatlantic is designed to reflect the price level trends in the trading of shares listed in Eurozone and USA.

Euronext Paris is the Administrator of this Index Family. For this Index Family no Independent Supervisor is appointed.

Euronext N.V. or its subsidiaries (hereinafter jointly "Euronext") owns all intellectual and other property rights to the index, including the name, the composition and the calculation of the index. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use> .

### VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
22-01	2 Mar 2022	First version	
22-02	08-09-2022	Addition of Review Weighting Date	EIA 2022-318

## 2. INDEX REVIEWS

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### 2.1 REVIEW FREQUENCY AND RELEVANT DATES

**Review frequency:** Quarterly

**Review Effective Date:** After the market close of the third Friday of March, June, September and December.

**Review Cut-Off Date:** After the market close of the penultimate Friday of February, May, August and November.

**Review Announcement Date:** At least two trading days before the Review Effective Date.

**Review Weighting Date:** Three trading days before the Review Effective Date.

**Review Weighting Announcement Date:** Two trading days before the Review Effective Date

### 2.2 REVIEW SELECTION

#### Step 1: Index Universe

##### Index Universe definition

The index universe consists of all companies included in the Euronext World Index. At reviews this means included in the reference index after the close of the Review Effective Date.

#### Step 2: Eligibility screening at reviews

The Companies with any of the following characteristics are not eligible:

- Companies with a **Free float market capitalisation lower than 2 Billion euro**.
- Companies with **Biodiversity scores of 5 or 6**, as provided by Iceberg Datalab
- Companies that do **not have an IDL biodiversity score** calculated against it
- Companies among the **worst 25% ESG Risk score**, from the starting universe
  - o In case of equal ESG risk score, companies will rank in such a way that companies with lower FFMC will be excluded

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
ESG Risk Score	Among worst 25%	181110112399

- **Tobacco:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Tobacco Production	Derived turnover > 0%	172911102999
Tobacco Distribution	Derived turnover > 10%	172913112999 172915112999

- **Thermal Coal:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Thermal Coal Mining	Derived turnover > 0%	172811102999
Thermal Coal Power Generation	Derived turnover > 10%	172813102999 171025141199

- **Oil and Gas:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Oil Sands Extraction	Derived turnover > 0%	173011102999
Shale Energy Extraction	Derived turnover > 5%	173211102999 173211151899
Oil & Gas exploration, production	Derived turnover > 10%	173311102999 173311112999
Electricity Generation from Oil & Gas	Derived turnover > 10%	173315102999 173316171899

- **Civilian Firearms:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Assault and Non-Assault weapons	Derived turnover > 0%	171711102999 171711102999

- **Controversial Weapons:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
Controversial weapons	Any evidence of activity in: <ul style="list-style-type: none"> <li>• Anti-Personnel Mines</li> <li>• Biological and Chemical Weapons</li> <li>• Cluster Weapons</li> <li>• Depleted Uranium</li> <li>• Nuclear Weapons</li> <li>• White Phosphorus</li> </ul>	211010113499 171611102999 171613102999

- **United Nation Global Compact:**

Exclusion topic	Exclusion criteria	Sustainalytics Field Id
United Nations Global Compact	Flagged "Non-compliant"	231112111799

The Euronext ESG Providers Methodologies document gives a detailed background on various scoring methodologies, controversial activities and controversies assessments.

**Step 3: Selection ranking**

The eligible Companies are ranked by Free float market capitalisation.

**Step 4: Selection of constituents at the review**

The 40 highest ranked Companies in the USA and the 40 highest ranked Companies in the Eurozone are selected from the eligible companies, for a total of 80 constituents of the index.

## **2.3 PERIODICAL WEIGHTING UPDATE**

### **Weighting method**

The index is Non-Market Capitalisation weighted, based on Equal Weight.

The Weighting Factors are explained in the following paragraphs.

### **Number of shares**

The Number of Shares will be calculated such that each Company will have an equal weight in the Index. The Number of Shares will be rounded to the nearest whole number.

The Number Of Shares are determined based on the closing prices of the Companies to be included in the Index on the Review Weighting Date.

### **Free Float factor**

The Free Float Factor is not applied for this Index Family.

### **Capping Factor**

The Capping Factor is not applied for this Index Family.

## 3. REFERENCES

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### 3.1 REFERENCE TABLE

Index name	ISIN	Mnemo	Bloomberg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext ESG Biodiversity Screened Transatlantic 80	FRESG0000405	EBSTP	ESGBIOTP	.EBSTP	01/01/2010	1000	02/03/2022	Price
Euronext ESG Biodiversity Screened Transatlantic 80 NR	FRESG0000413	EBSTN	ESGBIOTN	.EBSTN	01/01/2010	1000	02/03/2022	Net Return
Euronext ESG Biodiversity Screened Transatlantic 80 GR	FRESG0000421	EBSTG	ESGBIOTG	.EBSTG	01/01/2010	1000	02/03/2022	Gross Return
Euronext ESG Biodiversity Screened Transatlantic 80 Decrement 4%	FRESG0000439	EBST4	ESGBIOT4	.EBST4	01/01/2010	1000	02/03/2022	Decrement 4% on Net Return
Euronext ESG Biodiversity Screened Transatlantic 80 Decrement 5%	FRESG0000447	EBST5	ESGBIOT5	.EBST5	01/01/2010	1000	02/03/2022	Decrement 5% on Net Return

### 3.2 BASE CURRENCY

The Base Currency of this index family is Euro.

### 3.3 PUBLICATION

The opening index level is disseminated at the same time as the first index level.

The index is calculated based on the most recent prices of transactions concluded on the main markets in each of the countries that are included in the index. The level of the index is in principle published every 15 seconds. The index is calculated from 09:00 hours until US and Canadian Markets stop regular daytime trading on the days when Euronext Markets are open for trading. The closing level is the last level disseminated on the trading day.



## 4. ESG DISCLOSURES

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
<b>Item 1.</b> Name of the benchmark administrator.	Euronext Paris
<b>Item 2.</b> Type of benchmark	Equity Benchmark
<b>Item 3.</b> Name of the benchmark or family of benchmarks.	<b>Euronext ESG Biodiversity Screened Transatlantic Index</b>
<b>Item 4.</b> Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	Yes
<b>Item 5.</b> If the response to Item 4 is positive, please find below the ESG factors that are taken into account in the benchmark methodology and how they are used for selection, weighting and exclusion	
a) List of environmental factors considered:	<ul style="list-style-type: none"> <li>• ESG Risk score</li> <li>• Revenue involvement in Production of tobacco</li> <li>• Revenue involvement in Distribution of tobacco</li> <li>• Revenue involvement in Thermal Coal Mining</li> <li>• Revenue involvement in Thermal Coal Fuel Power Generation &gt;10%</li> <li>• Revenue involvement in Oil Sands Extraction</li> <li>• Revenue involvement in Shale Energy Extraction</li> <li>• Revenue involvement in Oil &amp; Gas Exploration, Production</li> <li>• Revenue involvement in Electricity Generation from Oil &amp; Gas</li> <li>• Revenue involvement in Civilian Firearms (Assault and Non-assault) Weapons</li> <li>• Evidence of activity in Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Depleted Uranium, Nuclear Weapons, or White Phosphorus</li> <li>• United Nation Global Compact compliance assessment</li> <li>• Biodiversity score</li> </ul>
b) List of social factors considered:	<ul style="list-style-type: none"> <li>• ESG Risk score</li> <li>• United Nation Global Compact compliance assessment</li> </ul>
c) List of governance factors considered:	<ul style="list-style-type: none"> <li>• ESG Risk score</li> <li>• United Nation Global Compact compliance assessment</li> </ul>

**Item 6. Data and standards used.****a) Data input.**

*(i) Describe whether the data are reported, modelled or, sourced internally or externally.*

*(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.*

**Sustainalytics:**

- ESG Risk score
- Revenue involvement in Production of tobacco
- Revenue involvement in Distribution of tobacco
- Revenue involvement in Thermal Coal Mining
- Revenue involvement in Thermal Coal Fuel Power Generation >10%
- Revenue involvement in Oil Sands Extraction
- Revenue involvement in Shale Energy Extraction
- Revenue involvement in Oil & Gas Exploration, Production
- Revenue involvement in Electricity Generation from Oil & Gas
- Revenue involvement in Civilian Firearms (Assault and Non-assault) Weapons
- Evidence of activity in Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Depleted Uranium, Nuclear Weapons, or White Phosphorus
- United Nation Global Compact compliance assessment

Sustainalytics applies several measures to ensure consistency in application of the methodology. Firstly, all analysis is conducted in line with our methodology and guidelines. This ensures that research, particularly when qualitative in nature, remains consistent. The data we use includes publicly disclosed, Artificial Intelligence (AI) and assessments by our experienced analysts.

Artificial Intelligence: Sustainalytics sources issuer disclosures through the use of artificial intelligence. Once the sources have been identified, they are thoroughly assessed by our analyst team for completeness and consistency, and for interpretation. In addition, before publication of the ESG Risk Ratings and Research, issuers are contacted for feedback. Issuers are also contacted in case of a significant or severe Controversy. When issuers can provide sufficient proof for management indicators, this will be taken into consideration.

	<p>Publicly disclosed information: Sustainalytics' issuer research is based on publicly disclosed information. On a daily basis we screen over 80,000 media sources using artificial intelligence, sourced by LexisNexis. As part of our research cycle, we do give issuers the opportunity to give feedback on our findings. If they can provide sufficient proof, we will take this into consideration. The response rate of issuers has increased substantially over the recent years, reflecting the recognition of corporates that ESG issues are material and affect their ability to attract investors.</p> <p>Analyst Research: Sustainalytics have over 650 data analysts and specialists focused on fund collection and processing, quality assurance, fund company relationships, and client support which is a significantly larger team than our closest competitor. This team is situated across our global offices in 27 countries and the local presence ensures that we understand the distinct nuances of the underlying content and our customer needs in every country and region.</p> <p>To maximise our data processing speed and efficiency, we take advantage of our geographical dispersion to collect the most relevant data by country and investment type and to keep our "data factory" working 24 hours a day</p> <p><b>Iceberg Datalab:</b></p> <ul style="list-style-type: none"> <li>Biodiversity score The CBF score is derived from the Corporate Biodiversity Footprint financial ratio (km<sup>2</sup>.MSA/€Mn). This indicator was developed and is calculated by Iceberg Data Lab. It results from the use of an internal model</li> </ul>
<p>b) Verification of data and guaranteeing the quality of those data.</p> <p><i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p><b>Sustainalytics:</b></p> <p>Data Quality</p> <p>- Operational Management: Business processes and tools are in place for universe maintenance, research planning, monitoring of timely publication and tracking of production targets.</p>

- Productivity Tools: Our internal research platforms and databases are continuously enhanced to ensure research data integrity as well as efficient data collection and processing.

- Data Management: Systems are in place for the periodic collection and verification of non-research data (e.g. company identifiers) and ensuring the integrity of all data points from backend to front-end.

- Automated end-of-gate quality checks: Daily automated quality control systems are in place to ensure the accuracy and integrity of ESG Ratings pre-publication, flagging outliers and unusual patterns to avoid unwarranted rating volatility.

- Data Delivery Systems: Our online client portal (Global Access) and data services are maintained daily and continuously improved to give a comprehensive and accurate representation of our products.

- Data Deliverables: Automated and manual quality assurance checks are run on all periodic and on-off custom client deliverables.

#### Product/Service Quality

- Research Product Innovation: As we continuously expand and improve our offering, the client impact of any structural product changes is thoroughly assessed prior to implementation.

- Service Innovation: As we continuously expand and improve our digital services to clients, any new features are thoroughly tested before being released to clients.

- New Product Launches: A well-defined Stage-Gate process has been put in place to carefully manage product launches and ensure quality, at the launch and beyond.

#### **Iceberg Datalab:**

Each analyst is trained on the methodology and cannot validate an analysis until his or her probation period is over.

Each file is controlled by a second pair of eyes, either a Senior Analyst or the Managing Director

Every error is monitored through an internal tracking tool (Youtrack) ensuring the traceability of errors, the fact that they are corrected and following up onto recurring mistakes or methodological bias

<p>c) Reference standards</p> <p><i>Describe the international standards used in the benchmark methodology.</i></p>	<p><b>Sustainalytics:</b></p> <p>Through our norms based screening, Global Standard Screening, we cover a broad range of international norms and standards including; UN Global Compact Principles (UNGC), UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and Related Conventions.</p> <p><b>Iceberg Datalab</b></p> <p>The CBF was developed using state of the art academic studies about the quantitative assesment of Biodiversity impact. A comprehensive list of the bibliography can be provided on demand. Other sources or standards used are the Globio model, IEA and FAO scenarios and dataset.</p>
<p><b>Information updated on:</b></p>	<p>02/03/2022</p>